traffickers in the notorious "blackbirding" labour trade, which continued in the South Pacific until about 1883.

Roman Catholic and Protestant missionaries proselytized Tokelau in the 1860s, with the church playing an important role in island life.

In 1889, the Commander of *H.M.S. Egeria* formally placed Tokelau under British rule. The islands were incorporated as part of the then Gilbert and Ellice Islands Colony in 1916, but were separated from it in 1925 and placed under the administration of the Governor-General of New Zealand. The Governor-General delegated his powers to the Administrator of Western Samoa, which was then a New Zealand Trust Territory.

In 1948, the British Parliament formally transferred the administration of the Territory to New Zealand, with administrative and executive functions vested in the Apia-based High Commissioner of Western Samoa. New Zealand has continued its administration of Tokelau from Apia since Western Samoa gained independence in 1962.

ADMINISTRATION

Tokelauans are New Zealand citizens. Tokelau is administered under the Tokelau Act, 1948, and its amendments. Under that Act, New Zealand's Minister for Foreign Affairs appoints the Administrator of Tokelau for a three-year term. The Administrator resides in Wellington and visits Tokelau annually. His responsibilities for the day-to-day administration of Tokelau are in practice exercised through the Tokelau Public Service headquartered in Apia. That office is headed by a Tokelauan, and, apart from a small number of Samoans and others recruited to work in the Apia office, is an entirely Tokelauan institution.

The principal political institution in Tokelau is the General *Fono*, which establishes policies for the administration of the Territory, takes decisions on the allocation of budgetary resources and makes policy decisions in all other areas affecting Tokelauan life.

New Zealand is committed to delegate to the General *Fono* such responsibilities as it wishes to assume. Although the New Zealand Minister for Foreign Affairs has the ultimate responsibility under the Tokelau Act for approving budgetary allocations, in practice he does so only on the advice of the General *Fono*.

New Zealand legislation applies in Tokelau only where it is explicitly extended to the Territory. The New Zealand Parliament may legislate for Tokelau, and the Governor-General of New Zealand is empowered to make regulations for the peace, order and good of the Territory. In practice, such legislation or regulations are only passed following consultation with and approval by the General *Fono*, which also initiates requests for legislation to be passed by New Zealand.

Following an exercise begun in 1981 to codify legislation applying to Tokelau, the General *Fono* decided that a consistent body of law giving due recognition to Tokelauan custom and giving legal authority to its legal institutions was required. Since 1984, the General *Fono* has held regular sessions to draw up revised legislation

The first amendments to Tokelauan legislation result-

of fees. Additionally, Tokelau qualifies for economic development assistance.

Tokelau's traditional society revolves around the *kaiga* (extended family group). Most labour activity is unpaid and devoted to food gathering and village maintenance. Individual and collective labour is engaged in the production of copra and handicrafts. The Tokelau Public Service, which includes teachers and medical personnel, provides virtually the only means of paid employment, though public works projects and agricultural programmes also provide some opportunities. Some work is carried out under contract by village work forces.

The Tokelau community enjoys a satisfactory level of health. All health services are free. Each atoll has a 12-bed general hospital with a qualified doctor and nurses. A dentist and a school dental nurse travel among all three atolls. The traditional social system of the islands makes it the responsibility of the family to provide for the aged and the needy.

The educational system is aimed at providing basic academic and technical skills while developing and strengthening the Tokelauan cultural heritage. Education is free and each atoll has a modern, well-equipped primary and secondary school for children between the ages of 5 and 18 years, with attendance at close to 100 per cent. By June 1990, at least 103 Tokelauan students and trainees were studying in New Zealand, Fiji and Samoa under official sponsorship.

Previously, students sat for scholarship selection examinations at the Form II level. Under a new policy, examinations will take place at the Form V level at the end of 1990. It was felt that under the earlier system, students were being sent overseas at too young an age.

Adult learning centres have been established on each of the atolls, with a view to developing youth programmes, assisting school leavers and promoting adult learning.

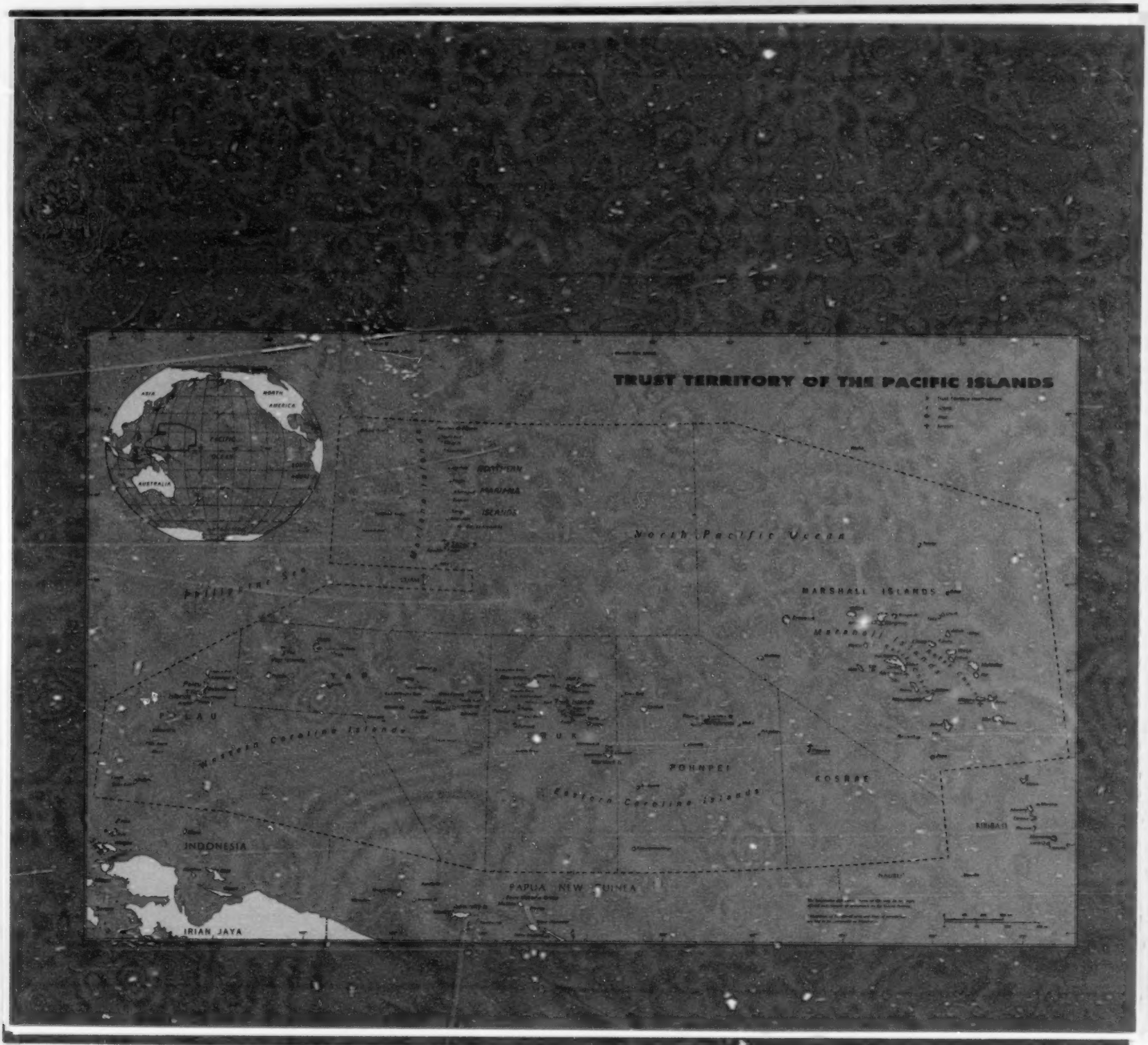
PUBLIC FINANCE

The 1987/88 budget amounted to 4.26 million New Zealand dollars ($NZ 1.00 was the equivalent of 60 US cents in 1988) ($NZ 3.71 million in 1986/87), of which New Zealand's budgetary aid was $NZ 3.7 million ($NZ 3.32 million in 1986/87). An additional amount of $NZ 559,849 was raised in Tokelau ($NZ 397,500 in 1986/87) from shipping and freight charges, the sale of postage stamps, handicrafts and coins, customs duties, and radio and telegram excises. The main expenditure included salaries and allowances, education, transport and communications.

FUTURE POLITICAL STATUS

The people of Tokelau have repeatedly expressed their desire to retain their special relationship with New Zealand.

In November 1990, the United Nations General Assembly reaffirmed the inalienable right of the people of Tokelau to self-determination and independence. It urged the administering Power to continue to respect fully the wishes of the people of Tokelau in carrying out the Terri-


TRUST TERRITORY OF THE PACIFIC ISLANDS
ASIA
NORTH AMERICA
PACIFIC OCEAN
AUSTRALIA
SOUTH AMERICA
SOUTHERN MARIANA ISLANDS
North Pacific Ocean
Philippine Sea
MARSHALL ISLANDS
Marshall Islands
YAP
PALAU
Western Caroline Islands
CHUUK
POHNPEI
KOSRAE
Eastern Caroline Islands
KIRIBATI
INDONESIA
PAPUA NEW GUINEA
IRIAN JAYA

ing from that exercise were enacted by the New Zealand Parliament in 1986. It transferred jurisdiction for administering the law of Tokelau from the High Court on Niue to the High Court of New Zealand, and established the New Zealand Court of Appeal as the final Court of Appeal for Tokelau. It extended the civil jurisdiction of Tokelauan Commissioners on each atoll. Other provisions empowered the Governor-General to delegate some of his revenue-gathering powers with respect to Tokelau and to affirm that freehold land may only be alienated to Tokelauans or to the Crown.

On each of the three atolls, the dominant political institution and principal organ of local administration is the *Taupulega* (Council of Elders). These generally comprise the head of each family group. The three *Taupulega* are presided over by the *Faipule*, who are the three joint chairmen of the General *Fono*. Village activities come under the control of the *Pulenuku* (village mayors), who are part of the *Taupulega*. The *Faipule* and *Pulenuku* are elected by secret ballot and universal suffrage for three-year terms.

ECONOMIC AND SOCIAL CONDITIONS

The economy of Tokelau is basically at a subsistence level. Further development is limited by the Territory's size, isolation and lack of resources. Apart from the salaries of public service employees, the main sources of income are copra, stamps, souvenir coins, handicrafts, and remittances from Tokelauans resident abroad.

During 1988/89, very little copra was exported. The few trees which survived the 1987 cyclone, however, produced a very high yield.

In February 1990, Tokelau was severely hit by Hurricane Ofa, which destroyed 45 per cent of the homes and caused serious damage to sea-walls around the low-lying atolls.

A co-operative store operates on each atoll. The Tokelau Public Service Administration works closely with the store committees to improve management and to reduce the cost of merchandise. An increasing amount is imported directly from manufacturers in Australia, New Zealand and Fiji, rather than purchased through more expensive wholesale outlets in Apia.

The surface cover on all three atolls consists of sand and coral and supports a minimal range of vegetation, primarily the coconut palm, bread-fruit tree and pandanus. Experimental vegetable-growing and the production of coconut syrup are being carried out.

Ocean and lagoon fish and shellfish are plentiful and are a main constituent of the diet. The most common species of fish caught are tuna, skipjack, trevally and mullet. A pilot trochus-seeding project was introduced at Fakaofo. A December 1988 evaluation of trochus transplanted from Fiji in late 1986 showed that a substantial number were killed by high seas in February 1987. However, the stocks were replenished, and the project extended to Atafu and Nukunonu.

Tokelau's exclusive economic zone became effective in April 1980. All benefits go to Tokelau, which stands to earn more than $US 62,500 annually from a tuna treaty which allows the American Tuna Boat Association (United States) to fish in the zone in exchange for the payment

tory's political and economic development, in order to preserve their social, cultural and traditional heritage.

A representative of the Territory participated in the regional seminar for the Pacific, held in Vanuatu in May 1990, as part of the Programme of Activities in Observance of the Thirtieth Anniversary of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

TRUST TERRITORY OF THE PACIFIC ISLANDS

The Trust Territory of the Pacific Islands consists of three archipelagos: the Marshalls, the Carolines and the Marianas (excluding Guam). It includes more than 2,100 islands and atolls scattered over an area of about 7.8 million square kilometres of the western Pacific, north of the Equator. The combined land area is approximately 1,854 square kilometres.

The people are broadly classified as Micronesians, reflecting early Mongolian, Polynesian and Melanesian emigration from south-east Asia. Nine major Malayo-Polynesian languages are spoken, with dialect variations.

The Territory is the last remaining Trust Territory of 11 such Territories of the International Trusteeship System set up under Chapter XII of the United Nations Charter. It is, moreover, a strategic Trust Territory under Article 83 of the Charter, administered by the United States under an agreement approved by the Security Council in 1947. The Trusteeship Council performs, on behalf of the Security Council, the functions of the United Nations under the Trusteeship System relating to political, economic, social and educational matters.

According to 1986 estimates, the population totalled 168,431. The distribution was as follows: Federated States of Micronesia, 94,534; Marshall Islands, 39,060; Northern Mariana Islands, 21,065; and Palau, 13,772.

Trusteeship Council missions visited Palau in 1989 and 1990.

HISTORICAL BACKGROUND

The area's first contact with the West was in 1521, when Ferdinand Magellan's expedition sighted the Marianas. In

LOCATION: Western Pacific

AREA: 1,854 square kilometres

POPULATION (1986 Est.): 168,431

ADMINISTERING AUTHORITY: United States

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HISTORICAL BACKGROUND

The area's first contact with the West was in 1521, when Ferdinand Magellan's expedition sighted the Marianas. In 1565, the first Spanish Governor-General of the Philippines, Miguel López de Legazpi, claimed them as a Spanish colony, although Spain did not formally annex the Marshalls and the Carolines until 1874.

Spanish missionaries arrived in Guam in 1668, but the Carolines and the Marshalls remained relatively unaffected by European activity until the late eighteenth and early nineteenth centuries. American whalers began visiting the two archipelagos and American Protestant missionaries arrived. Within 40 years, American, British and German traders began competing in the copra trade.

By the 1870s, the rivalry began to infringe Spanish interests. A dispute among the Powers over trading privileges was submitted in 1885 to Pope Leo XIII for arbitration. His decision recognized Spanish sovereignty, although rebellion continued until the end of Spanish rule. The Marshall Islands, left unattended, were declared a German protectorate in 1885.

Germany and Spain shared control of the area until the Spanish-American War in 1898 changed the political picture. Guam was ceded to the United States and the rest of the islands were sold to Germany. German occupation lasted until 1914. At the outbreak of the Second World War, the Marshalls, the Marianas (except Guam) and the Carolines were occupied by Japanese forces.

In 1920, the area was placed under a League of Nations-mandated Japanese administration. The islands became a strategic focal point in the western Pacific during the Second World War. In 1944, the Marshalls and the Marianas were occupied by Allied forces. The Carolines (except for one atoll) remained in Japanese hands until the end of the war.

In 1947, under a Trusteeship Agreement between the United Nations and the United States, the islands were placed under United States administration as a strategic Trust Territory. Between 1946 and 1958, Bikini and Eniwetok atolls in the Marshalls were used as nuclear-test sites.

ADMINISTRATION

Legislative power in Palau is vested in the Olbiil Era Kelulau (National Congress), consisting of two equal houses—the Senate and the House of Delegates—whose members are elected for four-year terms. Although both houses are equal under the Constitution of Palau, the Senate has the additional power of advice and consent.

The third Olbiil Era Kelulau took office in January 1989. There are 16 delegates—one from each of the states of Palau. Senators represent geographical districts determined according to population by a reapportionment commission. Reapportionment plans are drawn every eight years and prescribe the number of senators to be elected during the period that the plan is in effect. In 1991,

government agency created to negotiate foreign fishing agreements to allow tuna fishing within Palau's 200-mile exclusive economic zone. It also manages and regulates living marine resources within the zone. During 1990, a total of $659,000 was collected from the five foreign fishing agreements in effect.

During 1990, approximately 40 per cent of all fish caught was channelled through the Palau Federation of Fishing Associations, which marketed approximately 170,000 kilograms of fish valued at $301,000 for the seven fishing cooperatives in Palau; approximately 40 per cent of that total amount of fish (excluding tuna) was exported to Guam. In addition, the Palau Division of Marine Resources reported that exports of inshore reef fish amounted to about 254 metric tons.

The Micronesian Mariculture Demonstration Center, a Palauan Government facility, offers on a continuous basis a 30-day training course in giant clam mariculture. It also offers a summer course to college-bound Palauan high school students, and visiting research experts present seminars on an ad hoc basis. During 1990, it trained nine students. More than 300,000 seed clams were produced and 100 shipments were sent to other Pacific Island countries. Revenue from training courses and seed clam sales amounted to $60,000 during 1989/90.

With the diversification of Palau's economic base, the number of entrepreneurs continued to grow. A total of 700 business establishments were estimated to be conducting business in 1990, compared with 2,275 in 1989. The decrease, however, is believed to be on paper only, as many family enterprises had not filed documents with the Tax and Revenue Office. Land, air and surface transportation, construction, retailing and hotels account for most of the private activity primarily related to the growth of the tourist industry.

The Micronesian Regional Tourism Council, a private non-profit organization, serves as coordinating agency for promotional and other tourist-related activities in the Trust Territory.

During 1989/90, the number of tourists to Palau, mostly from the United States and Japan, increased. In 1989, arrivals totalled 26,005, compared with 22,675 in 1988, representing an increase of 15 per cent. Hotel and motel accommodation decreased from 386 rooms in 1989 to 379 rooms in 1990. A 60-room hotel destroyed by fire did not reopen.

The centre of Palau's health system is a 68-bed hospital at Koror, where 68 per cent of the population reside. With improvement of road infrastructire, about 79 per cent of the population has easy access to the hospital.

Residents outside the centre rely for primary care on 13 dispensaries located in 12 of the states of Palau and travel to the hospital for secondary and more sophisticated care. Conditions in outlying dispensaries staffed by health assistants range from poor to fair and functional.

Construction began in January 1989 on a new health facility to replace the hospital at Koror. More than 60 per cent of the funding has been approved by the United States Congress. The new facility is expected to be completed by 1992 at a total cost of about $25 million.

The Palau Social Security System covers all workers in Palau and Palauans working outside the Territory. It is

FUTURE POLITICAL STATUS

Palau remains the only entity under the Trusteeship Agreement yet to determine its political future. By resolution 683 of 22 December 1990, the Security Council determined, in light of the entry into force of new status agreements for the Federated States of Micronesia, the Marshall Islands and the Northern Mariana Islands, that the objectives of the Trusteeship Agreement had been fully attained, and that applicability of that agreement had terminated with respect to those entities, leaving Palau the sole area under the International Trusteeship System.

Since 1983, seven plebiscites on the Compact of Free Association have been held in Palau. Several of these were observed by United Nations visiting missions. In each case, the Compact did not obtain the required 75 per cent majority as stipulated by the Constitution of Palau.

In May 1990, the Department of the Interior announced that it would open an office in Palau and review the administrative structure of the Administering Authority as it pertained to the Trust Territory. Subsequently, on 15 October, the Department of the Interior issued Secretarial Order No. 3142, which provides for the appointment of a Resident Representative to carry out liaison between the Administering Authority and the Palau Government and to appoint such professional, technical and administrative staff as may be necessary to carry out official duties and responsibilities under the Trusteeship Agreement.

The President of Palau, on behalf of the President of the Senate of Palau, the Speaker of the Palau National Congress and himself, delivered a joint statement to the Trusteeship Council on 3 May 1991. He stated that his Government welcomed the increased physical presence of the Department of the Interior in Palau, but only in an advisory role, to provide expertise in the areas of budget, finance and public safety. The President further stated that Secretarial Order 3142 usurped existing governmental powers and was a step backwards in Palau's progressive path towards eventual self-government in a freely chosen political status.

The representative of the United States informed the Trusteeship Council the same day that Palau had taken no concrete steps in the past year with regard to its future political status. As far as the United States was concerned, the Compact of Free Association remained available if Palau decided to accept it. She further stated that the United States was also willing to consider independence as another status alternative. The representative assumed that further activity would take place regarding future political status.

there were 14 senators: four from the northern part of Palau, nine from Koror and one from the southern islands. Members of the Olbiil Era Kelulau may be removed from office only by recall or impeachment.

Leadership of the Senate consists of a President, a Vice-President, a Floor Leader and an Executive Committee consisting of the presiding officers and all standing committee chairmen. Leadership of the House of Delegates consists of the Speaker, the Vice-Speaker, the Floor Leader and an Executive Committee.

Executive power in Palau is vested in a President who is elected for a four-year term. A Vice-President, elected for a similar term, is an ex officio member of the Cabinet. A Council of Chiefs advises the President on matters concerning traditional laws and custom.

Palau is composed of 16 states, which were formerly clusters of loosely linked hamlets. Each state has an elected governor and state legislature as well as a constitution.

Judicial power in Palau is vested in a Supreme Court, a National Court and such lower courts of limited jurisdiction as may be established by law.

The Trust Territory High Court remains in existence. The judge for the United States District Court for the Northern Mariana Islands, who was the former Chief Justice for the High Court, has been appointed a temporary Justice of the High Court. Other judges may be appointed as required. The High Court continues to have limited jurisdiction over the judicial system in Palau.

ECONOMIC AND SOCIAL CONDITIONS

A representative of the United States informed the Trusteeship Council in May 1991 that, based on a request from Palau, the United States was working with the Palau Government on arrangements for a master national development plan. The United States was earmarking increased funding for essential activities in the fields of education, health and public safety.

In November 1990, Typhoon Mike hit the northern part of Palau, causing extensive damage to the Territory although there were no serious injuries or loss of life. The President of the United States declared the Territory a disaster area, thus qualifying it for United States emergency disaster assistance. A total of $3.8 million was made available by the United States for private and public restoration projects.

Imports to Palau during 1989/90 were valued at $24.3 million. During 1988/89, imports were valued at $4.9 million while exports amounted to $556,000. The marked increase in the value of imports was attributed to the import of construction material primarily for a new Palau hospital, and for new hotels being built in Palau.

Subsistence farming is the main agricultural activity throughout the Trust Territory. Various regional and international organizations provide assistance on crop research, market development and livestock production.

In 1990, sales of vegetables, fruit, staple crops, eggs, meat and processed food in Palau amounted to $440,675, compared with $449,853 during the previous year.

The Palau Maritime Authority is a semi-autonomous

administered by five board members appointed by the President and confirmed by the Senate of the Olbiil Era Kelulau. Contributions to the System in 1989/90 amounted to $1,470,800. By 1991, 1,010 beneficiaries received payments from the System, whose total disbursements in 1989/90 were $1,716,800.

During 1989/90, there were 22 public elementary schools in Palau. Elementary school enrolment totalled 2,494 pupils, of whom 369 were in the two private elementary schools. Of the 168 elementary teachers, most of whom were Palauans, about 150 were degree holders. Secondary school enrolment totalled 1,055 pupils, of whom 445 were enrolled in private institutions.

In 1989, approximately 700 Trust Territory students were enrolled in various colleges and universities abroad, mostly on the United States mainland and in Hawaii, Guam, Japan and Australia.

In Palau, the main educational institution providing vocational training is the Micronesia Occupational College. The College offers vocational education courses, including those in construction trades and business courses leading to an Associate of Arts/Science degree. Enrolment at the College averages about 400 students during regular sessions and more than 200 during summer sessions.

WAR DAMAGE CLAIMS

War damage claims by inhabitants of the Trust Territory fall into two broad categories: claims against the Governments of the United States and Japan, mainly for damages sustained by indigenous inhabitants during the Second World War (Title I claims); and post-war claims against the Government of the United States (Title II claims).

During 1989/90, some $121,000 was received in Palau to cover Title I claims for about 70 claimants. Final payment of Title I claims is almost complete. Title II payments were completed several years ago.

PUBLIC FINANCE

Funding for government operations and capital improvement programmes in the Trust Territory is derived mainly from an annual grant provided by the Department of the Interior from funds appropriated by the United States Congress. The second and third largest sources of income are federal grants and revenue collected locally from taxation.

During fiscal year 1989/90 (1 October 1989 to 30 September 1990), total revenue amounted to $35.5 million while annual expenditure was $27.5 million. For 1989/90, the grant from the Administering Authority totalled approximately $25.3 million, of which $14.3 million came from funds from the Department of the Interior, $5 million from federal grants and approximately $6 million from Capital Improvement Programme funds.

Local revenue amounted to $10.2 million, derived mainly from taxes and reimbursement for the use of public utilities. That revenue is controlled by the Palau legislature and appropriated to provide for its own support and for such legislative projects as may be authorized by law.